vss

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO.2211 OF 2004
IN
SUIT NO.2233 OF 2004

M/s.Shalina Laboratories Pvt. Ltd. ... Plaintiffs

V/s.

M/s.SMS Formulations Pvt. Ltd. & Ors. ... Defendants

And

Assistant Drugs Controller
(India) & Ors. ... Respondents

Mr.Ravi Kadam with Mr.Himanshu W. Kane, Mr.Ashiksh Kamat and Mr.Rahul Kadam for Plaintiffs

Mr.Janak Dwarkadas with Mr.V.R. Dhond for Defendant Nos.1 to 3

Mr.Dilip Rai for Defendant No.4

CORAM: **SMT.NISHITA MHATRE, J.**

DATED: **SEPTEMBER 19, 2006**

P.C.:

. The present Motion has been taken out by the Plaintiffs for an injunction against the defendants from manufacturing, marketing, exporting, etc. its medicinal or pharmaceutical preparations with the trade mark "SUPER APPETITE". According to the plaintiffs the mark is identical or deceptively similar to their registered trade mark, "SUPER APETI". The plaintiffs have claimed that the Defendants have infringed their registered trade mark and copyright in the artistic work of their label. The plaintiffs have also claimed an injunction contending that the Defendants, by using the label

"SUPER APETITE", are passing off their goods as those of the plaintiffs.

2. The plaintiffs' case is that in 1984, they started manufacturing, marketing and exporting pharmaceutical medicinal products. In 1993, they adopted the trade mark "APPETITE" for their pharmaceutical preparations consisting of the drug "Cyproheptadine Hydrochloride". The Plaintiffs obtained a loan license to manufacture the drug on 11.6.1993. In February 1994, they adopted and used a new trade mark "SUPER APETI". They then obtained a loan license to manufacture a syrup under the mark "SUPER APETI". They also started manufacturing tablets with the same mark by obtaining another loan license. The Plaintiffs applied for registration of their trade mark "SUPER APETI" (word per se) on 25.9.1997. This mark was registered on 12.8.2003 for medicinal pharmaceutical and veterinary preparations in class V, claiming a user since 14.11.1994. A suit was filed by the plaintiffs against Rajan Enterprises & others for infringement of their trade mark "SUPER APETI" and copyright in the label as well as passing off being Suit No.3481 of 2001. Interim and ad-interim orders have been obtained by the plaintiffs in that suit. The respondents herein have been restrained from exporting the offending medicinal preparations. The plaintiffs contend that they learnt that some unknown parties in Gujarat had commenced manufacturing identical pharmaceutical preparations in

cartons using a deceptively similar trade mark. According to the plaintiffs, the get-up, lay-out and placement of all the essential features on the carton/label were identical and therefore, they filed a criminal complaint before the Judicial Magistrate, Sanand, Gujarat on 11.7.2003. Certain orders were passed by the Court on that criminal complaint. The Sanand Police raided the factory premises of Defendant No.4 herein and learnt that the goods bearing the mark and label "SUPER APPETITE" were being manufactured by Defendant No.4 for Defendant Nos.1 and 2. The plaintiffs were granted registration of the copyright in their artistic work of their label "SUPER APETI" on 19.8.2003. A report was accordingly submitted to the Judicial Magistrate, Sanand. When the plaintiffs learnt that the Defendant Nos.1 to 3 were likely to export pharmaceutical preparations bearing the mark and label "SUPER APPETITE" they filed a complaint with the Deputy Commissioner of Police (Enforcement), Mumbai under section 115 of the Trade and Merchandise Act, 1999 complaining of the infringement and passing off of its trade mark and copyright in the mark "SUPER APETI". The Plaintiffs were informed by the defendants that Defendant No.2 was the proprietor of the trade mark "SUPER APPETITE" and that an application for registration of the same was pending.

3. The plaintiffs, therefore, contend that by adopting a similar or deceptively mark and label, the

defendants have infringed the plaintiffs' registered trade mark and copyright in the artistic work of their label as well as have indulged in passing off of their own goods as those of the plaintiffs.

4. I will first deal with the case of infringement of the registered trade mark which the Plaintiffs seek to make out.

5. The learned Counsel appearing for the Plaintiffs contends that the plaintiffs have been manufacturing and selling their goods under the word mark "SUPER APETI" from 1994. The Plaintiffs' goods are being exported and have no market in India. Similarly, the defendants' goods are also being marketed abroad in the same territory. The learned Counsel submits that the mark "SUPER APETI" must be taken as a whole when determining whether there is an infringement of the plaintiffs' trade mark. He submits that although there is a disclaimer for the word mark "SUPER", when seen as a whole, the two marks are obviously deceptively similar. He submits that the plaintiffs have established that their mark has been infringed under section 29(2)(b) of the Trade Marks Act. The learned Counsel further submits that the plaintiffs have been "using" the mark as understood under the Trade Marks Act and therefore, there is an obvious case of infringement of their registered trade mark by the defendants.

In support of these contentions, the learned Counsel relies on the judgments in: *Parle Products (P) Ltd. v/s. J.P. & Co., Mysore,* **AIR 9172 SC 1359;** *Living Media India Ltd. v/s. Jitendra V. Jain*, **2002(25) PTC 61 (Del);** *Madhubhan Holiday Inn v/s. Holiday Inn Inv.,* **2002(25) PTC 308 (Del) (DB);** *Asian Paints (I) Ltd. v/s. Jaikishan Paints & Allied Products,* **2002(6) Bom C.R. 1;** *Pidilite Industries v/s. S.M. Associates*, **2003(5) BCR 295;** *Poddar Tyres Ltd. v/s. Bedrock Sales Corporation Ltd.,* **AIR 1993 BOM 237**; *Biochem Pharmaceutical Industries v/s.Biochem Synergy Limited*, **1998 PTC (18);** *M/s.Maxheal Pharmaceuticals (India) & Anr. v/s. Shalina Laboratories Pvt. Ltd. & Ors.,* **Appeal No.88 of 2005 in Notice of Motion No.2638 of 2004 in Suit No.2663 of 2004;** *Glaxo Operations UK Limited & Anr. v/s. Samrat Pharmaceuticals,* **1984 PTC 66**; *Director of Rationing & Distribution v/s. The Corporation of Calcutta & Ors.,* **AIR 1960 SC 1355**; *Burroughs Wellcome (India) Ltd. v/s. Uni-Sole Pvt. Ltd.,* **1998(3) Bom. CR 481** and *Kamal Trading Co., Bombay & Ors. v/s. Gillette UK Limited, Middle Sex, England,* **1988 PTC 1.** The learned Counsel also relied on **Extract of Law of Trade Marks and Passing Off (Sixth Edition) by P. Narayanan** and **The Extract of the Trade and Merchandise Marks Act, 1958 (Third Edition) by R.K. Abichandani.**

6. The learned Counsel for the Defendants, on the other hand, submits that there can be no infringement of

the plaintiffs' mark as the plaintiffs are using the word mark "SUPER APETI" by misspelling the original words. He points out that there is a disclaimer for the word "SUPER". The word "APETI" has been coined from the French word "Appetit" which was the original mark adopted by the plaintiffs in 1993. He submits that the word mark "SUPER APETI" which has been registered is a descriptive word and, therefore, the plaintiffs can claim no infringement. He submits that section 30(2)(a) and (b) provides for instances wherein a trade mark, though registered, is not infringed. According to the learned Counsel, there is no use of the word "SUPER APETI" in India by the plaintiffs since admittedly they export all their goods. Therefore, there can be no infringement of their mark. He also points out that the Defendants have received a letter from the Registrar of Trade Marks informing them that the mark "SUPER APPETITE" is not registerable since it is descriptive in nature.

7. The learned Counsel relies on various commentaries to point out what could constitute infringement of a trade mark. While referring to the commentary of **Shavaksha** on **The Trade and Merchandise Marks Act 1958**, the learned Counsel submits that if a word is descriptive in a particular language, it must be considered on the same footing as an ordinary descriptive word. If a foreign word is of such a nature i.e., it is ordinarily used in a particular language

from which the word emanates the mark would be difficult to register.

8. The question, therefore, is whether the plaintiffs' word mark "SUPER APETI" has been infringed. Undoubtedly, the mark has been registered on 25.9.1997. The instances of infringement of a trade mark has been described in section 29 of the Trade Marks Act. Section 29(2)(b) of the Trade Marks Act which was pressed into service by the learned Counsel for the Plaintiffs reads thus:

> 29(2)(a) ...
>
> (b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or
>
> (c) ...
>
> is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

9. The use of a registered trade mark has been defined in subsection (6) of section 29 thus:

> (6) For the purposes of this section, a person

uses a registered mark, if in particular, he-

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trade mark on business papers or in advertising.

10. In the present case, there is no dispute that both the plaintiffs and the defendants cater to the customers abroad. They are exporting the goods under their respective marks. The manufacturing and packaging of the goods takes place in India. The registered mark of the plaintiffs is affixed on their goods in India, before being exported. The two marks "SUPER APETI" & "SUPER APPETITE", in my view, are similar and the plaintiffs' mark "SUPER APETI" has prima facie been infringed by the Defendants.

11. The submission of the learned Counsel for the Defendants is that there is no infringement in view of the provisions of section 30(2) (a) and (b) which read as under:

> 30(2) A registered trade mark is not infringed where - (a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time or production of goods or of rendering of services or other characteristics of goods or services;
>
> (b) a trade mark is registered subject to any conditions or limitations, the use of the trade mark in any manner in relation to goods to be sold or otherwise traded in, in any place, or in relation to goods to be exported to any market or in relation to services for use or available or acceptance in any place or country outside India or in any other circumstances, to which, having regard to those conditions or limitations, the registration does not extend;

12. The submission of the learned Counsel that the registration of the mark would not extend to the market which the plaintiffs and the defendants cater to cannot be accepted. Section 56 reads thus:

> 56. Use of trade mark for export trade and use when form of trade connection changes. - (1) The application in India and any other act done in India in relation to goods to be so exported or services so rendered outside India which, if done in relation to goods to be sold or services provided or otherwise traded in within India would constitute use of a trade mark therein, shall be deemed to constitute use of the trade mark in relation to those goods or services for any purpose for which such use is material under this Act or any other law.
>
> (2) The use of a registered trade mark in relation to goods or services between which and the person using the mark any form of connection in the course of trade subsists shall not be deemed to be likely to cause deception or confusion on the ground only that the mark has been or is used in relation to goods or services between form of connection in the course of trade subsisted or subsists.

13. On considering the aforesaid provisions of law it appears that the application in India of a trade mark

to goods to be exported from India, shall be deemed to constitute the use of the trade mark in relation to those goods or services for any purpose which use is material under this Act or any other Act. As aforesaid, the marks of both the plaintiffs and the defendants are being "used" in India and the products are being exported. The provisions of section 30(2) (a) and (b) would not aid the defendants in any manner. There is therefore in my opinion, a prima facie case made out by the plaintiffs and the defendants of infringement of their registered trade mark.

14. The next question to be considered is whether the Defendants have infringed the copyright of the plaintiffs in the artistic work of their label. The plaintiffs have annexed an affidavit of one Sandesh Pawar to the plaint wherein he has averred that he had created the label for the plaintiffs and that the artwork is owned by the plaintiffs. The defendants contend that the label which they use is dissimilar to the artistic work in the label used by the plaintiffs. They contend that they have obtained a registration certificate under section 45(1) of the Copyright Act from the Registrar of Copyrights, New Delhi for the artistic work of their label taken as a whole. The copyright registration is in respect of the label "Super Appetite Cyproheptadine Hydrochloride Tablets BP with the device of fruits". The registration certificate has been issued on 7.3.2005. The Defendants therefore,

contend that since they have a registered copyright in their label, there is no question of infringing the copyright in the plaintiffs' label. It is submitted that their label would not have been registered if there was any similarity between the two labels.

15. According to the learned Counsel, when the defendants are the owners of the copyright in the artistic work of their label, there is no question of infringement of the plaintiffs' copyright. The affidavit filed by Defendant No.3 on 13.4.2006 describes the points of difference between the plaintiffs' label and that of the defendants. The defendants claim that the colour scheme, lay-out, arrangement of articles and the get-up of both the labels is different. Hence, there could not be any infringement of the copyright in the artistic work. According to the defendants, enquiries made with the trade mark registry have revealed that the plaintiffs' application for registration of the label under No.1208191 made on 20.6.2003 and another made on 13.8.2003 are pending. The defendants contend that these applications were considered by the Registrar before issuing the copyright registration in favour of the defendants' artistic work in their label. Section 51(a)(i) provides that the copyright in an artistic work is deemed to be infringed when a person, without a license granted by the owner of the copyright or Registrar of Copyrights, does anything which the owner of the copyright is exclusively entitled

to it.

As held in *Asian Paints (supra)* copyright in an artwork subsists the moment it is created. The registration of the copyright under the Copyright Act is optional. If the plaintiff who claims infringement of his copyright is able to establish that his artistic work was created earlier in point of time than that of the Defendant, mere registration of the work by the Defendant cannot defeat the plaintiff's claim. It is no doubt true that in this case the registration of the plaintiffs' label is pending. However, the affidavit of the person who improved the artistic work of the label being used by the Plaintiffs indicates that he was commissioned by the plaintiffs for this work in October, 1996. The registration certificate in respect of the Defendants' work has been obtained in 2005. Therefore, the plaintiffs' label has been created earlier in point of time. The similarity between the two labels is striking. In my opinion, the plaintiffs have established, prima facie, that their copyright in the artistic work of their label has been infringed.

16. This takes me to consider whether the plaintiffs have established their case of passing off.

17. A bare perusal of the two cartons in my view, indicate that the defendants' label is deceptively similar to that of the plaintiffs. The affidavit of

Defendant No.3 points out the dissimilarities of the two labels. In my opinion, the essential features of the cartons are similar or deceptively similar. Both the cartons bear a picture of various fruit. The Defendants contend that besides the picture of fruit the plaintiffs' carton bears the picture of meat, fish and a milk bottle on one side of the carton whereas the defendants' carton has a picture of several fruit on both sides of the carton. This in my view, is not a material difference. Contending that the offending carton depicts the pictures of fruits other than those found on the plaintiffs' carton, besides other articles of food is only nit-picking. The general appearance of both the cartons is that fruit are displayed prominently. Although the cartons are of different colours, a person with an imperfect recollection would easily mistake one for the other. Both the cartons bear a red band on which the name of the product is inscribed in white. It is a well settled proposition of law that while considering whether the two labels are similar for the purposes of action in passing off, one has to bear in mind the general appearance and the imperfect memory of the gullible customer. The detailed differences are not what is required to be considered when deciding whether there is a similarity or a deceptive similarity between the two labels as held in the case of *Cadila Health Care Limited (supra)* In an action for passing off, the essential features of the two products must be ascertained and if there is a deceptive similarity

between the two products, an action for passing off would lie.

18. However, although there is a similarity between the two labels, it would be necessary to consider whether the plaintiffs have established that they have the goodwill and reputation in the market for their product "SUPER APETI". It is only when the plaintiffs are able to establish this, that they would be entitled to maintain an action for passing off against the defendants.

19. The fundamental requirement in an action for passing off is that the plaintiffs should be able to establish that it has a reputation in the country where it exists. In a commentary by **Christopher Wadlow** on the **Law of Passing Off (Unfair Competition by Misrepresentation), Third Edition 2004**, the essential elements of passing off have been recognised as a misrepresentation causing damage to the business or goodwill of the claimants. An action for passing off is a remedy available to a person for protecting the goodwill the claimant has in a distinctive sign, mark, name or get up. Therefore, it must be established that a claimant has goodwill in the jurisdiction where the action has been filed. The author has also pointed out the distinction between the goodwill and reputation.

20. So as to establish the goodwill of the

plaintiffs in the market the plaintiffs have produced on record their sales figures. These indicate, prima facie, that the plaintiffs have a substantial hold over the market and that the sales figures have been increasing over a period of time. Obviously therefore, the reputation of the plaintiffs in the market has increased.

21. Besides this, there is evidence on record which prima facie indicates that the plaintiffs' product was in the market prior to that of the defendants. The plaintiffs have also taken action against various other companies/persons for passing off their respective goods as those of the plaintiffs. Prima facie, therefore, it would appear that the plaintiffs have established that they have built up a goodwill over a period of time which would necessarily lead to the inference that the defendants have been passing off their products as those of the plaintiffs. The plaintiffs have also established that they are prior users and therefore are entitled to the injunctions prayed for.

22. Both these products are pharmaceutical and medicinal preparations. The Supreme Court in the case of *Cadila Health Care Ltd. v/s. Cadila Pharmaceuticals Ltd.,* **AIR 2001 SC 1952** has held that while dealing with the pharmaceutical and medicinal preparations, a stricter view must be taken by the Courts when considering an action for passing off. The Supreme

Court has held that the class of purchasers who are likely to buy the goods bearing the marks must be kept in mind, having regard to their education and intelligence and a degree of care that they are likely to exercise in purchasing and/or using the goods. These products are not meant for trade in India and are meant for trade overseas. It is submitted on behalf of the Defendants that customers of average intelligence buying the product overseas would certainly be able to discern the differences between the two labels, given the education of those customers. In my opinion, this submission on behalf of the defendants is untenable as there is a "user" of the product in this country and therefore, the action of passing off must be considered having regard to the conditions in India. A customer with an imperfect recollection would certainly not be able to discern the differences between the two cartons. Although the drug contained in the tablets is the same, in my opinion, the defendants are prima facie, guilty of passing off their products as those of the plaintiffs.

23. An action for passing off is a common law right which is available to a plaintiff whether or not he is entitled to a declaration that there is an infringement of his trade mark or copyright in the artistic work of his label.

24. Reliance is placed by the learned Counsel for the Defendants on the case of *M/s.Smithkline Beecham*

Plc. & Ors. v/s. M/s.Hindustan Lever Limited & Ors., **2000 PTC 83** to contend that there is no material on record to show any goodwill for the product in the country where the goods are exported nor is there any use of the products in India. The Apex Court in this case considered the question of infringement of a registered design and of passing off. It has held that where no international advertisement is published in India or when there is no evidence of an advertisemen being published in India or an invoice to show that there is any goodwill for the product in this country, goodwill or reputation cannot be presumed. Nor can it be presumed that any transborder reputation exists with the Company. The documents annexed to the plaint sufficiently show that the product have been manufactured and marketed in countries other than India. Invoices of the product are also been placed on record. Therefore, the plaintiffs have shown sufficiently that the defendants have indulged in passing off their goods as those of the plaintiffs.

25. In my opinion, prima facie, the plaintiffs have established prima facie that there is a case of passing off made out against the defendants. The plaintiffs would therefore, be entitled to the reliefs claimed. Hence, the Motion is made absolute in terms of prayer clauses (a) to (f).

26. On the application made by Mr.Dhond, this order

is stayed for a period of two weeks from today.